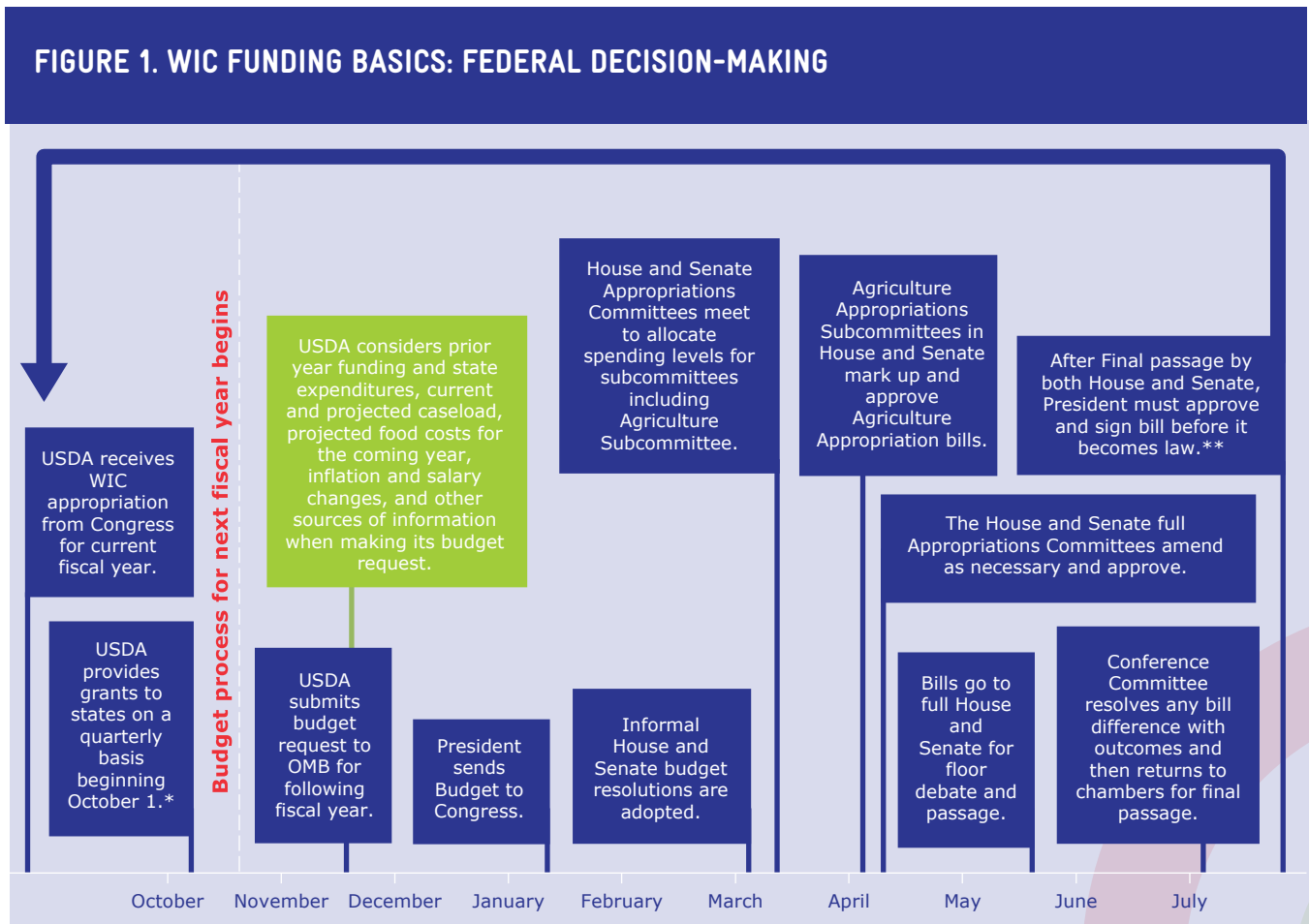




# WIC FUNDING BASICS

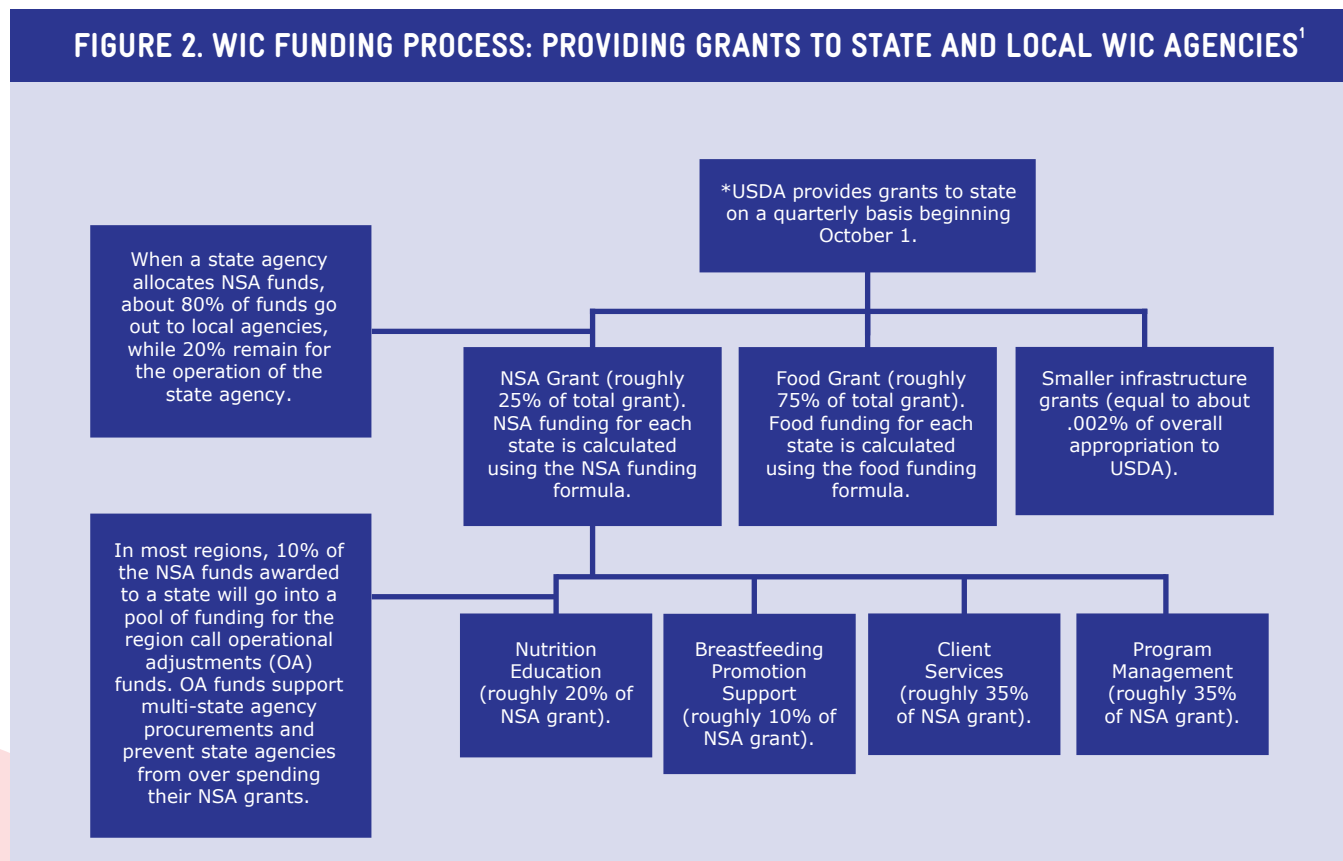
WIC is a domestic discretionary program under the jurisdiction of the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). This means that WIC, unlike mandatory assistance programs like Medicaid and SNAP, obtains its funding through the annual appropriations process. This process involves a number of different decision makers, including USDA and Senate and House Appropriations Committees and Subcommittees (see Figure 1 below.)



\*\* Although this is how the federal appropriations process is supposed to work, rarely is work finished on all appropriations bills by October 1. If the budget process is not complete by October 1, Congress may enact one or more continuing resolutions (CRs) so that agencies and programs continue to receive funding until a final spending agreement can be reached. CRs provide funding at the same level as the previous fiscal year and can last varying lengths of time (from a few weeks to a full year). Facing a legislative time crunch (like the end of a fiscal year), Congress will often choose to wrap some or all unapproved appropriations bills into a single legislative vehicle to assure passage. A "minibus" is where two or more appropriations bills are wrapped, and an "omnibus" is where all or all remaining unapproved appropriations bills are wrapped.

Even though WIC is a federal program, it is administered by the states. USDA provides grants quarterly to states, in the form of Food grants and Nutrition Services and Administration (NSA) grants. Food grants are used by states to provide food package benefits to WIC participants, whereas NSA grants are used by states to cover all other WIC services – nutrition education, breastfeeding promotion and support, client services, and program management. Each state receives a specified amount for food spending and NSA spending, which is determined by USDA’s funding formula. States also apply for and receive smaller infrastructure grants, which are used to repair or renovate facilities, strengthen program integrity, improve efficiency of program operations, and/or enhance food delivery systems. The funding process that occurs once states receive their grants from USDA is described in Figure 2 below.

**FIGURE 2. WIC FUNDING PROCESS: PROVIDING GRANTS TO STATE AND LOCAL WIC AGENCIES<sup>1</sup>**



## WHAT DO THESE NSA FUNDING CATEGORIES PAY FOR?

- » Nutrition Education funding is for salaries/benefits of nutritionists, dietitians, and other nutrition educators; travel and training costs for nutrition educators; nutrition education material costs; costs of interpreter and translator services; evaluation and monitoring costs; and any other expenses related to providing nutrition education.
- » Breastfeeding Promotion and Support funding is for salaries/benefits of WIC staff who plan or conduct services to promote or support breastfeeding; breastfeeding promotion and support educational material costs; clinic space devoted to breastfeeding educational and training activities; and any other expenses related to providing breastfeeding promotion and support.
- » Client Services funding is for WIC staff salaries/benefits and medical supplies and equipment necessary to conduct diet and health assessments; and costs necessary to refer clients to other healthcare and social services, to coordinate services with other programs, to participate in activities that promote a broader range of health and social services for participants, and to conduct and participate in surveys/studies that evaluate the impact of WIC on participants.
- » Program Management funding is for WIC administrative salaries/benefits and other costs necessary to conduct outreach, food instrument reconciliation, monitoring and payment, and vendor monitoring; to keep administrative records; and to prepare and maintain fiscal and program management reports.

This funding is also for general management clerical support, payroll and personnel systems, accounting and bookkeeping, audits, and other financial and legal services.

## WHAT IS A FUNDING FORMULA?

A funding formula is a calculation used by USDA to determine how much NSA and Food funding a state will receive in a given year. Funding formulas are based on factors such as how many participants a state serves, the size of the state, state salary levels, the number of WIC-eligible persons in the state, and how much Food and NSA funding a state received in the prior year.<sup>2</sup>

## WHY FUNDING FORMULAS?

Funding formulas are used by USDA to promote funding levels that provide equivalent service to participants across all states, territories, and Indian Tribal Organizations (ITOs.) WIC's current funding system for NSA was instituted in 1989. Under the law, total federal WIC funds for nutrition services and administrative costs combined, on a per-participant basis, rise only for inflation.<sup>3</sup> The funding formulas for both grant components (Food and NSA) factor in prior-year grant levels to preserve stability in the program and include other factors that encourage state agencies to maximize program reach. Prior to 1989, NSA funding was proportional to food costs, during which time state agencies had no incentive for keeping food costs down. Now that NSA funding is proportional to participation, state agencies are incentivized to keep food costs down so that a greater number of participants can be reached.

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<sup>1</sup> Altarum Institute and RTI International (2017) WIC Nutrition Services and Administration Cost Study. US Department of Agriculture Office of Policy Support. Accessed online: <https://fns-prod.azureedge.net/sites/default/files/ops/WICNSACostStudy.pdf>.

<sup>2</sup> Brown H (2017) WIC NSA Funding Webinar. Supplemental Nutrition and Safety Programs Food and Nutrition Service U. S. Department of Agriculture.

<sup>3</sup> Carlson S, Neuberger Z, Rosenbaum D (2017) WIC Participation and Costs Are Stable. Center on Budget and Policy Priorities. Accessed online: <https://www.cbpp.org/research/food-assistance/wic-participation-and-costs-are-stable>.